

## Instructions for Form 2106

### Employee Business Expenses

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#### **Note Regarding the Georgia Form 2106:**

Georgia will **not** provide a Form 2106 for tax year 2008. If a taxpayer has any depreciation differences due to the items mentioned below, he or she should add back the Federal Depreciation on Form 500, Schedule 1, Line 4. Then recompute the depreciation using the assumptions below. Subtract this Georgia depreciation on Form 500, Schedule 1, Line 10.

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**Assets Placed in Service during Tax years Beginning on or after January 1, 2005.** For tax years beginning on or after January 1, 2005, Georgia has adopted the increased I.R.C. Section 179 deduction amounts **(\$128,000 in 2008)** and the related phase outs **(\$ 510,000 in 2008)** that were enacted before January 1, 2008. In addition, for assets placed in service during 2005 and later, there are Georgia depreciation differences due to I.R.C. Section 168(k)(30% and 50% bonus depreciation), I.R.C. Section 1400L (tax benefits for the New York Liberty Zone), and I.R.C. Section 1400N(d)(1) (post 8/28/2006 Gulf Opportunity Zone (GOZ) property). **Georgia currently has not adopted any provisions that were included in the federal tax acts that were signed into law during 2008.**

**Assets Placed in Service during Tax Years Beginning before January 1, 2005.** For tax years beginning before January 1, 2005, Georgia did not adopt I.R.C. Section 168(k) (30% and 50% bonus depreciation), Section 1400L (tax benefits for the New York Liberty Zone), and I.R.C. Section 1400N(d)(1) (post 8/28/2006 Gulf Opportunity Zone (GOZ) property). Further, Georgia treated I.R.C. Section 179(b) as it was in effect before enactment of the Jobs and Growth Tax Relief Reconciliation Act of 2003. As such, Georgia continued to use a \$25,000 limit for the Section 179 deduction and a \$200,000 limit for the phase out of the Section 179 deduction. Assets placed in service during tax years beginning before January 1, 2005, should continue to be depreciated using the assumption that the bonus depreciation was not allowed and a lower Section 179 amount was used.